

## Message Text

CONFIDENTIAL

PAGE 01 STATE 296825

64

ORIGIN EB-03

INFO OCT-01 SS-14 ISO-00 EUR-08 NSC-05 NSCE-00 INR-05

CIAE-00 OES-02 SP-02 L-01 OMB-01 SSO-00 INRE-00

TRSE-00 SAM-01 PM-03 /046 R

DRAFTED BY EB/ORF/FSE:DHICKEY:JM  
APPROVED BY EB - THOMAS O. ENDERS  
EB/ORF/FSE:LRRAICHT  
EUR/RPE:DLAMB (SUBS)

----- 061761

O 170042Z DEC 75  
FM SECSTATE WASHDC  
TO AMEMBASSY OSLO IMMEDIATE  
INFO AMEMBASSY PARIS IMMEDIATE

C O N F I D E N T I A L STATE 296825

LIMDIS

E.O. 11652: GDS

TAGS: ENRG

SUBJECT: IEA LONG TERM PROGRAM: NORWAY

REF: PARIS 32754

FOR AMBASSADOR FROM ENDERS

PARIS FOR BOSWORTH

1. MAJOR PROBLEM AREA REMAINING FOR 'AD REFERENDUM'  
AGREEMENT AT DECEMBER 19 GOVERNING BOARD MEETING ON IEA LONG  
TERM COOPERATIVE PROGRAM IS CONTINUED NORWEGIAN RELUCTANCE  
TO ACCEPT CHAPTER V. PROVISIONS ON LEGISLATIVE AND ADMIN-  
ISTRATIVE OBSTACLES AND DISCRIMINATORY PRACTICES.

CONFIDENTIAL

CONFIDENTIAL

PAGE 02 STATE 296825

2. I BELIEVE YOU SHOULD RAISE THIS ISSUE URGENTLY AT MINISTERIAL LEVEL TO ENSURE THAT NORWEGIAN DELEGATION TO DECEMBER 19 GOVERNING BOARD MEETING HAS INSTRUCTIONS- TO PERMIT HIM TO TAKE LONG-TERM AGREEMENT ON AD REFERENDUM BASIS.

3. YOU MAY FIND FOLLOWING POINTS HELPFUL IN YOUR PRESENT-  
ATION:

BACKGROUND: ISSUE OF COMMITMENTS ON DISCRIMINATORY ACCESS TO INVESTMENT IN ENERGY PRODUCTION HAS BEEN ONE OF MOST DIFFICULT IN NEGOTIATION OF OVERALL LONG-TERM PROGRAM. COUNTRIES WITH FEW DOMESTIC ENERGY POSSIBILITIES HAVE PRESSED FOR LEGALLY BINDING UNDERTAKING ON NON-DISCRIMINATORY ACCESS. ANY SUCH GENERAL UNDERTAKING OF A LEGAL NATURE IS POLITICALLY IMPOSSIBLE FOR THOSE COUNTRIES SUCH AS NORWAY WITH SIGNIFICANT ENERGY RESOURCES. THE U.S., BEING UNABLE TO ACCEPT SUCH A COMMITMENT, PROPOSED A SET OF GUIDING PRINCIPLES FOR COOPERATION ON SPECIFIC ENERGY SECTORS. (THESE PRINCIPLES ARE CONTAINED IN CHAPTER III OF THE LONG-TERM PACKAGE). THE U.S., NORWAY, AND OTHER ENERGY RICH COUNTRIES COULD BE MORE FLEXIBLE ON THE ACCESS QUESTION ON A PROJECT-BY-PROJECT BASIS THAN ON A GENERAL, ACROSS THE BOARD BASIS. WE HAVE NONETHELESS, RECOGNIZED THAT SOME SORT OF GENERAL COMMITMENT ON NON-DISCRIMINATORY ACCESS AS PROVIDED IN CHAPTER V. IS AN ESSENTIAL ELEMENT OF THE POLITICAL BALANCE IN THE OVERALL PACKAGE.

CANADA WAS ABLE TO ACCEPT THE GUIDING PRINCIPLES, BUT NOT CHAPTER V. BECAUSE OF POLITICAL AND CONSTITUTIONAL PROBLEMS. NORWAY THOUGH WILLING TO ACCEPT THE GUIDING PRINCIPLES RELUCTANT TO ACCEPT CHAPTER V. AND PLANS TO USE THE CANADIAN RESERVATION ON THIS ISSUE AS AN EXCUSE. THE U.S. AND UK, THE OTHER MAJOR ENERGY-PRODUCERS OF THE AGENCY, HAVE ACCEPTED BOTH THE GUIDING PRINCIPLES AND CHAPTER V. THE GUIDING PRINCIPLES ARE RECOMMENDATIONS TO GOVERNMENTS AND NOT BINDING AND REQUIRE THAT THE HOST GOVERNMENT FIND THAT A SPECIFIC PROJECT IS IN ACCORDANCE WITH NATIONAL POLICIES. CHAPTER V. IS ALSO NOT A BINDING LEGAL COMMITMENT, BUT SHOULD BE ADOPTED AS A POLITICAL  
CONFIDENTIAL

CONFIDENTIAL

PAGE 03 STATE 296825

COMMITMENT BY THE EXECUTIVE BRANCH OF THE HOST GOVERNMENT TO MOVE IN THE DIRECTION OF NON-DISCRIMINATORY ACCESS BY IEA MEMBER COUNTRIES.

-- NORWAY'S OPPOSITION TO NON-DISCRIMINATORY ACCESS BY OTHER IEA COUNTRIES TO ITS ENERGY SOURCES IS AN OBSTACLE TO COMPLETING THE LONG-TERM COOPERATIVE AGREEMENT. CHAPTER V. AS IT NOW STANDS REPRESENTS A SIGNIFICANT COMPROMISE

FOR ALL COUNTRIES AND IS ESSENTIAL TO CONSUMER SOLIDARITY.

-- THE LONG-TERM COOPERATIVE AGREEMENT IS A DELICATELY LINKED PACKAGE OF BURDENS AND BENEFITS WHICH INCLUDES ITEMS OF PARTICULAR INTEREST TO NORWAY, SUCH AS THE MSP. IEA MEMBERS SHOULD NOT SEEK TO GET OUT OF PARTICULAR PROVISIONS OR SEEK SPECIAL EXEMPTIONS. THIS WOULD UNDERCUT THE ENTIRE PURPOSE OF OUR EFFORT.

-- CANADA'S EXPECTED RESERVATION ON CHAPTER V. IS NOT WELCOME, BUT DOES REFLECT SOMEWHAT UNIQUE CONDITIONS. THE CANADIANS HAVE POLITICAL AND CONSTITUTIONAL PROBLEMS WITH NON-DISCRIMINATION DUE TO FEDERAL-PROVINCIAL DISPUTE, ENUNCIATED DISCRIMINATORY ENERGY POLICY, EXISTING TWO-TIERED PRICE SYSTEM FOR OIL AND GAS, AND EXISTING RESTRICTIVE LEGISLATION CONCERNING ENERGY EXPORTS.

-- THE U.S. ALSO HAS PROBLEMS WITH CHAPTER V. BUT BELIEVE THEY CAN BE OVERCOME BY A FLEXIBLE AND PRAGMATIC INTERPRETATION OF THE COMMITMENTS UNDERTAKEN. IF THE U.S., GIVEN THE SPECIAL NATURE OF OUR ENERGY RELATIONSHIP WITH CANADA, CAN ACCEPT CHAPTER V. WITH THE CANADIAN RESERVATION, WE DO NOT BELIEVE THE CANADIAN QUESTION TO BE A LEGITIMATE FACTOR IN THE DECISION BY ANY IEA COUNTRY.

-- WE VIEW CHAPTER V. AS AN EXPRESSION OF THE DESIRABILITY IN TERMS OF THE GOALS OF MEMBER COUNTRY COOPERATION OF ORIENTING NATIONAL POLICIES IN THE DIRECTION ON NON-DISCRIMINATION IN THE ENERGY FIELD. GOVERNMENTS WILL NOT ABRUPTLY REVERSE EXISTING NATIONAL POLICY AND NOTHING IN THE CHAPTER IMPLIES ANY OBLIGATION TO REMOVE DISCRIMINATORY LEGISLATION ALREADY IN PLACE.

CONFIDENTIAL

CONFIDENTIAL

PAGE 04 STATE 296825

-- WE INTERPRET THE COMMITMENTS IN THE CHAPTER AS FOLLOWS:

1) EXISTING LEGISLATION: COUNTRIES WOULD USE WHATEVER DISCRETIONARY AUTHORITY IS AVAILABLE WITHIN EXISTING LEGISLATION TO AFFORD NATIONAL TREATMENT TO PARTICIPATING COUNTRIES, AND 2) NEW LEGISLATION (I.E. STANDSTILL COMMITMENT). GOVERNMENTS WOULD NOT SEEK NEW LEGISLATION WHICH WOULD PREVENT NATIONAL TREATMENT FOR OTHER IEA COUNTRIES.

-- THE 'BEST ENDEAVORS' APPROACH FALLS SHORT OF THE LEGAL UNDERTAKING WHICH MANY OF THE OTHER COUNTRIES WANTED. THE U.S. CONSIDERS THAT 'BEST ENDEAVORS' REPRESENTS A POLITICAL COMMITMENT ON THE EXECUTIVE BRANCH OF THE GOVERNMENT. IT IS NOT A LEGALLY BINDING COMMITMENT NOR DOES IT RESTRICT THE LEGISLATIVE BRANCH. INGERSOLL

CONFIDENTIAL

NNN

## Message Attributes

**Automatic Decaptioning:** Z  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** ENERGY, AGREEMENTS, PROGRAMS (PROJECTS), INTERGOVERNMENTAL COOPERATION, NEGOTIATIONS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 17 DEC 1975  
**Decaption Date:** 28 MAY 2004  
**Decaption Note:** 25 YEAR REVIEW  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** greeneet  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1975STATE296825  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** DHICKEY:JM  
**Enclosure:** n/a  
**Executive Order:** GS  
**Errors:** N/A  
**Film Number:** D750437-0770  
**From:** STATE  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1975/newtext/t19751235/aaaabejq.tel  
**Line Count:** 169  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ORIGIN EB  
**Original Classification:** CONFIDENTIAL  
**Original Handling Restrictions:** LIMDIS  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 4  
**Previous Channel Indicators:** n/a  
**Previous Classification:** CONFIDENTIAL  
**Previous Handling Restrictions:** LIMDIS  
**Reference:** 75 PARIS 32754  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** greeneet  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 27 MAY 2003  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <27 MAY 2003 by WorrelSW>; APPROVED <20 OCT 2003 by greeneet>  
**Review Markings:**

Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
06 JUL 2006

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** IEA LONG TERM PROGRAM: NORWAY  
**TAGS:** ENRG, IEA  
**To:** OSLO  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006